WRITTEN ANSWERS TO UNSTARRED QUESTIONS

Policy for promotion of Regional Airlines

1862. SHRI SITARAM YECHURY: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether it is a fact that Government unveiled a policy to promote the regional airlines;

(b) if so, the salient features thereof;

(c) the details of regional airlines operating from different destinations including their fleet details;

(d) whether it is also a fact that the process of modernization of non-metro airports is not in line with the opening up of the sector; and

(e) if so, the reasons therefor?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL): (a) and (b) Yes, Sir. Directorate General of Civil Aviation (DGCA) has issued Civil Aviation Requirements for scheduled regional air transport service with a view to promote air connectivity within a region, expand air travel services for Tier II and Tier III cities and between specific regions. There are four regions identified as North, South, West, East/ North-East coinciding with the Flight Information Regions (FIRs) as defined by the Airports Authority of India (AAI). The regional airlines are not permitted to operate on category I routes. However, the regional airlines of the southern region which has 3 metros would be allowed to operate between the metros within the southern region namely Bangalore, Chennai and Hyderabad.

The airline can operate with a minimum of 3 aircrafts and the equity requirements are as under:—

(i) Airlines operating with aircraft with take off mass equal to or exceeding 40,000 kg. upto 3 aircraft-Rs. 30 crores.

(ii) for each additional aircraft, additional equity investment of Rs. 10 crores will be required, subject to a maximum of Rs. 50 crores after which no further equity enhancement is required

Airlines operating with aircraft with take off mass not exceeding 40,000 kg. (i) upto3 aircraft-Rs. 12 crores.

(ii) for each additional aircraft paid up capital of Rs. 4 crores will be required subject to a maximum of Rs. 20 crores after which no further equity enhancement is required. There may be no need for further enhancement of equity if the paid up equity/ reserves of Rs. 50 crores is available with the airline.

(c) This Ministry has issued initial NOC to operate Scheduled Air Transport (Regional) Services to M/s. Star Aviation for Southern Region, M/s. Jagson Airlines and M/s. MDLR Airlines for Northern Region and M/s. Zav Airways for North East/Eastern Region.

(d) and (e) No, Sir. the modernization of non-metro airports is proceeding as per the planned date of completion i.e. March, 2010.